

# MINNESOTA • REVENUE

## **Minneapolis Lodging Tax Rate changes to 2.625%**

Beginning July 1, 2009, the Minnesota sales tax rate is increased to 6.875 percent. The law provides that when the general sales tax rate is combined with any other taxes on lodging within the city of Minneapolis, the total tax amount may not exceed 13 percent. As a result of the general sales tax rate increase, the total tax rate on lodging within the city of Minneapolis exceeds 13 percent. Therefore, effective July 1, 2009, the Minneapolis lodging tax rate decreases from 3 percent to 2.625 percent on taxable lodging accommodations to comply with current law.

The lodging tax applies city wide and applies to lodging accommodations within Minneapolis city limits at hotels and motels with more than 50 rooms available for lodging. The 2.625 percent Minneapolis lodging tax is in addition to the 6.875 percent state sales tax, the 0.5 percent Minneapolis sales tax, the 0.25 percent Transit Improvement tax, the 0.15 percent Hennepin County tax, and the 3 percent Minneapolis entertainment tax for a total of 13.40 percent. Note: By law, the Hennepin County tax and the Transit Improvement tax are not included in the rate cap.

## **Information and assistance**

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